



**RELATIONSHIP BETWEEN
RHB BOND FUND
AND
MACROECONOMIC VARIABLES**

**HANIF BIN HASHIM
2008279852**

**BACHELOR OF BUSINESS ADMINISTRATION
(HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KAMPUS BANDARAYA MELAKA**

NOVEMBER 2010

DECLARATION OF ORIGINAL WORK



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I, Hanif bin Hashim, I/C Number 870722-14-6239

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- This work had not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees.
- This project paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: _____

Date: _____

03 NOVEMBER 2010

Puan Nor Aizan bt Mohamed
The Head of Program
Bachelor of Business Administration (Hons) Finance
Faculty of Business Management
Universiti Teknologi MARA
110, Off Jalan Hang Tuah,
75300, MELAKA

Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “RELATIONSHIP BETWEEN BOND PRICE AND MACROECONOMIC VARIABLES” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA

Thank you,

Yours sincerely

HANIF BIN HASHIM
2008279852
Bachelor of Business Administration (Hons) Finance

ABSTRACT

The research studies on the relationship of economic variables with bond price. The scope of the study only focuses on the price movement of RHB bond fund price as a result of the changing in the money supply, inflation and consumer price index. The objective of the study is to determine the relationship between the economic variables with the price movement of RHB bond fund. There are three economic variables which are chosen in this study which is money supply, inflation rate and consumer price index. The data period cover from January 2005 until December 2009. The data retrieved from the DataStream. The Autoregressive (AR) Model is used to investigate the relationship between the economic variables with RHB bond fund price.

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